

City of Puyallup

September 2021 Financial Summary

General Fund at a Glance...

Budget vs Actual Comparison

	2020 ACT	2021 BUD	2021 EST	VARIANCE
Revenues	49,371,406	50,866,748	55,126,900	4,260,152
Expenditures	49,078,513	51,366,838	49,990,690	1,376,148
Gain/(Loss)	292,892	(500,090)	5,136,210	5,636,300

Results through September continue a strong positive trend for 2021. Revenues are projected to come in about \$4.3 million higher than budget and expenditures \$1.4 million below budget, creating an overall positive variance from budget of \$5.6 million.

The \$5.6 million difference between the budgeted and actual gain/(loss) amounts is the preliminary estimate of Tier 3 monies that available for spending in 2022. Per policy, one-third of these monies are first allocated to General Fund Reserves and the balance is available for one-time expenses.

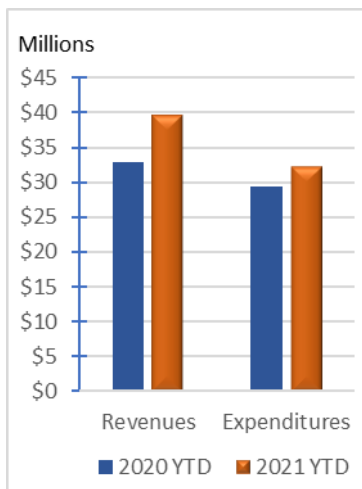
General Fund Reserves

	2020 ACT	2021 BUD	2021 EST
Beginning Balance	7,493,868	5,686,760	5,686,760
Ending Balance	7,786,760	5,186,670	10,822,970
less Tier 3	(2,100,000)		(3,000,000)
General Fund Reserves	5,686,760	5,186,670	7,822,970
	11.5%	10.2%	14.2%

2021 year-end reserves are estimated at \$7.8 million, or 14.2% of revenues, after setting aside \$3 million of Tier 3 monies as discussed by Council during recent budget study sessions.

In addition, 2020 Tier 3 monies of \$2.1 million remain available for one-time projects.

Council's target for General Fund reserves is 8-15% of operating revenues.



2020 vs 2021 YTD Comparison

	2020 YTD	2021 YTD	\$ Change	% Change
Revenues (no trfs)	32,852,194	39,780,302	6,928,109	21.1%
Expenditures (no trfs)	29,378,410	32,304,877	2,926,466	10.0%
Gain/(Loss)	3,473,783	7,475,426	4,001,642	115.2%

Through September, revenues and expenditures exceed last year and both remain consistent with expectations. The \$6.9 million revenue increase reflects robust sales tax collections, along with engineering, cemetery, plans review and recreation fees, and photo enforcement fines in a more "normal" range compared with 2020. Expenditures are the result of normal department spending this year, whereas significant savings strategies were in place last year.

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General Fund Revenues by Type (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
Property Tax	9,370,130	5,243,105	9,496,400	126,270	1.3%
Sales & Use Tax	24,495,870	20,407,300	27,287,000	2,791,130	11.4%
Other Tax	5,207,240	3,396,769	5,252,000	44,760	0.9%
Licenses & Permits	1,888,360	1,719,272	2,215,900	327,540	17.3%
Intergovernmental	2,625,312	2,443,882	2,839,000	213,688	8.1%
Charges for Services	3,314,986	3,055,907	3,767,100	452,114	13.6%
Fines & Forfeitures	3,414,410	2,786,278	3,378,800	(35,610)	-1.0%
Miscellaneous	480,440	727,790	820,700	340,260	70.8%
Total Revenues	50,796,748	39,780,302	55,056,900	4,260,152	8.4%

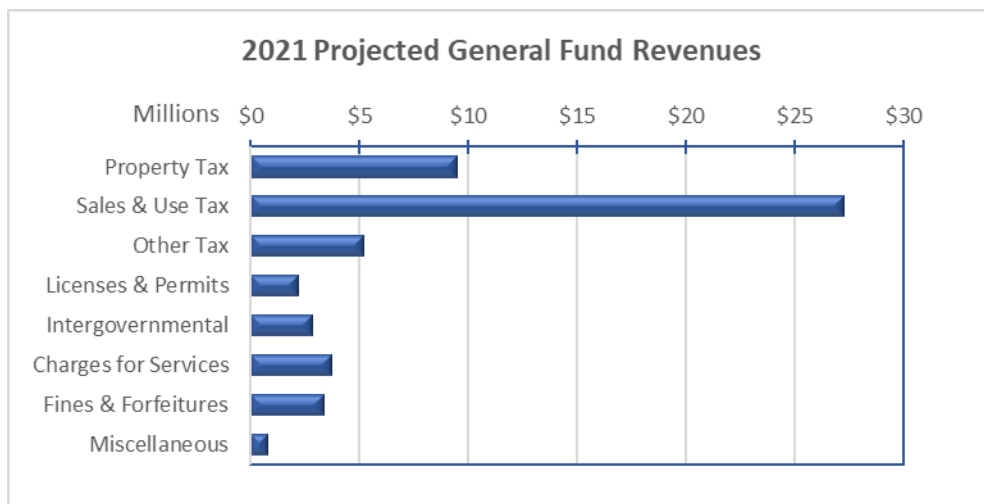
Revenues are budgeted conservatively per the budget stability policy, with two exceptions for sales tax and development engineering fees. Through September, overall sales tax continues a strong trend of economic recovery. Other revenues are coming in essentially as expected during a “normal” year.

Sales Tax: Retail Trade and Professional & Other Services sectors continue to be strong performers in terms of sales tax. Construction has significantly improved since the beginning of the year and is on track to be consistent with 2019 collections. While Accommodations/Food has been the hardest hit by the pandemic, sales tax collections over the past few months have been at pre-pandemic levels, continuing positive signs of sustained recovery.

Licenses & Permits: Building permits are expected to exceed budget by \$300,000.

Charges for Services: Plan review fees are expected to exceed budget by \$385,000.

Miscellaneous: Includes \$330,000 of one-time monies for the sale of property on South Hill.

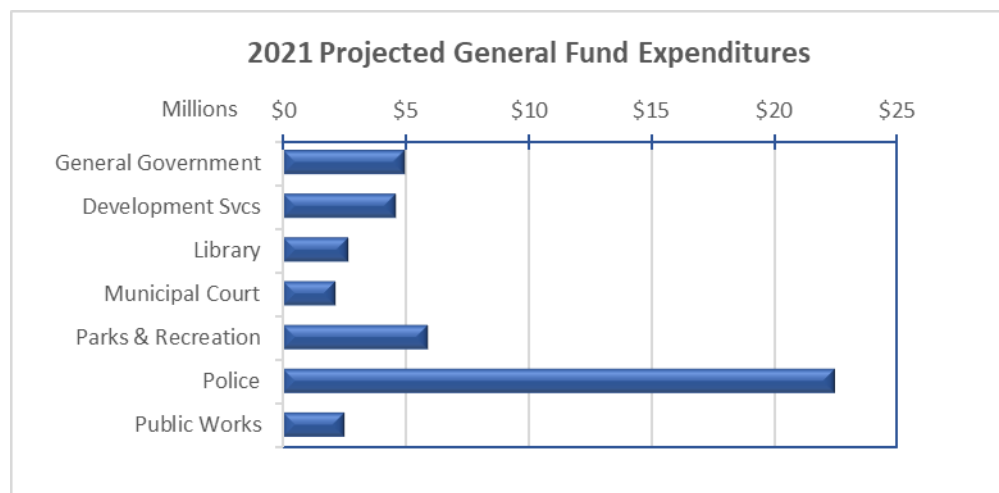


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General Fund Expenditures by Department (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
City Council	225,120	140,210	206,040	19,080	8.5%
City Manager	1,251,338	811,160	1,079,910	171,428	13.7%
City Clerk	391,700	266,565	373,350	18,350	4.7%
Dev & Permitting Svcs	4,759,828	3,340,053	4,599,890	159,938	3.4%
Finance	758,710	516,874	739,950	18,760	2.5%
Human Resources	457,930	290,082	432,210	25,720	5.6%
Legal	1,274,060	941,308	1,273,780	280	0.0%
Library	2,979,940	1,830,782	2,664,900	315,040	10.6%
Municipal Court	2,171,518	1,566,616	2,129,250	42,268	1.9%
Non-Departmental	909,433	532,888	859,980	49,453	5.4%
Parks & Recreation	6,280,789	4,090,717	5,900,360	380,429	6.1%
Police	22,457,212	16,434,486	22,420,300	36,912	0.2%
Public Works	2,808,400	1,543,136	2,484,500	323,900	11.5%
Total Expenditures	46,725,978	32,304,877	45,164,420	1,561,558	3.3%

No major expenditure variances through September. Departments are authorized to spend up to their adopted budgets, without specific action needed to reduce spending. This could change if revenue projections become negatively impacted at any point in the year, although this seems unlikely given current trends.



General Government: City Council, City Clerk, City Manager, Finance, Human Resources, Legal, Non-Dept

City of Puyallup

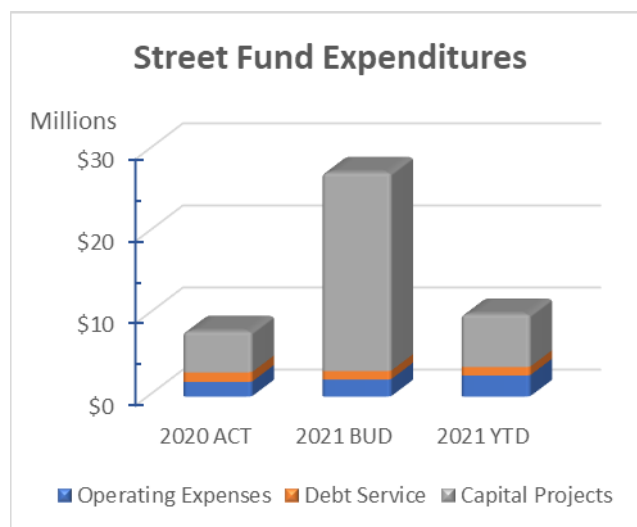
September 2021 Financial Summary

Street Fund at a Glance... (excluding intrafund transfers)

The Street Fund accounts for repairs and maintenance, debt service and construction of city streets. Grants and other non-city monies are aggressively pursued to help offset costs of eligible capital projects.

Street Fund			
	2020 ACT	2021 BUD	2021 YTD
Beginning Balance	8,934,353	10,215,288	10,215,288
Fuel Tax/Multimodal Funds	385,937	429,490	297,909
Traffic Impact Fees	662,116	1,200,000	1,261,064
Capital Project Grants	1,932,349	9,735,429	5,635,180
Other Revenues	413,163	652,560	9,346
Transfers In	5,831,629	6,953,718	1,196,598
Total Revenues	9,225,195	18,971,197	8,400,097
Operating Expenses	1,784,997	2,077,810	2,567,305
Debt Service	1,156,219	1,031,770	1,030,763
Capital Projects	5,003,043	24,182,436	6,444,852
Transfers Out	-	-	-
Total Expenditures	7,944,260	27,292,016	10,042,920
Ending Balance	10,215,288	1,894,469	8,572,465

Transfers In from GF Tier 1, Budget Stability, REET and LIFT grant.



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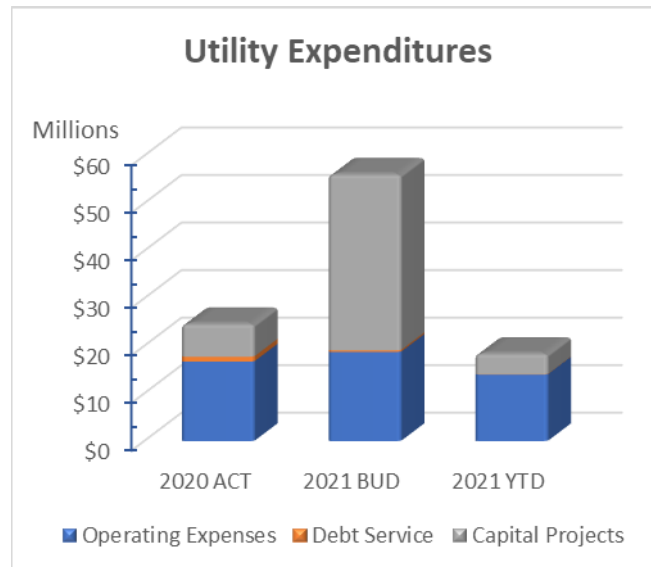
Utilities at a Glance... (excluding transfers)

City utilities (sanitation, water, wastewater and stormwater) are funded with user and system development charges, which are expected to cover the operations, debt service and capital needs of the utility.

In response to the economic hardship on residents and businesses resulting from the state-wide response to COVID-19, the City has expanded the utility payment extension policy and waived late fees. Both are scheduled to be in effect until 60 days after the state of emergency is lifted. At that point, the regular payment extension and late fee policies will resume. As the months have gone by, delinquent account balances have increased substantially to nearly \$450,000 versus a pre-pandemic average of \$250,000. Pierce County has implemented a customer relief program and \$300,000 of City ARPA monies have been reserved for this purpose. We are hopeful that these programs will provide sufficient aid to those of our customers needing assistance.

Combined Utility Funds

	2020 ACT	2021 BUD	2021 YTD
Beginning Balance	25,225,934	27,835,990	27,835,990
User Fees	23,709,811	24,478,020	19,459,451
System Dev Charges	1,945,322	1,980,860	2,989,629
Other Revenues	338,556	294,200	160,229
Grants	1,257,782	6,402,477	724,811
Total Revenues	27,251,471	33,155,557	23,334,120
Operating Expenses	16,724,182	18,760,230	14,004,426
Debt Service	1,039,799	347,200	55,914
Capital Projects	6,877,434	36,980,737	4,318,893
Total Expenditures	24,641,415	56,088,167	18,379,233
Ending Balance	27,835,990	4,903,380	32,790,877



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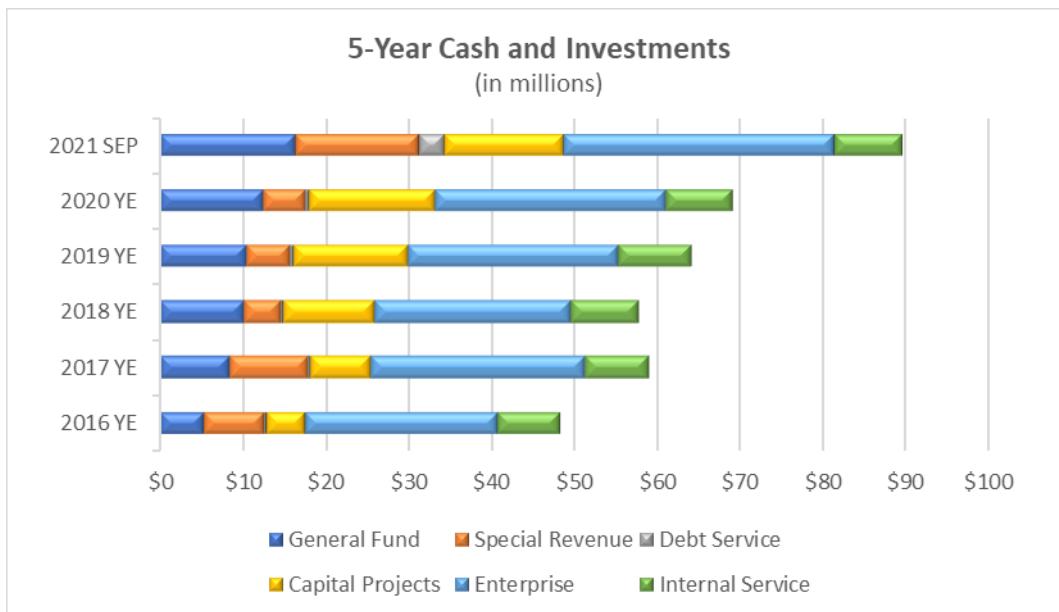
City-Wide Cash and Investments

	2016 YE	2017 YE	2018 YE	2019 YE	2020 YE	2021 SEP
General Fund	1,714,189	5,613,564	7,188,466	7,504,974	7,786,760	11,582,030
General Fund - Other	3,504,895	2,648,335	2,806,831	2,798,442	4,486,592	4,633,091
Special Revenue	7,245,450	9,455,865	4,562,016	5,261,402	5,119,889	14,901,108
Debt Service	282,095	288,292	305,283	517,046	505,658	3,017,961
Street Capital Projects	3,486,440	5,273,289	5,476,894	8,915,411	10,215,288	8,595,006
Parks Capital Projects	1,150,658	1,896,328	4,879,439	2,904,086	2,948,859	3,878,550
Facility Capital Projects	119,948	121,076	558,137	1,984,322	1,961,283	1,897,328
Enterprise - Utilities	23,046,430	25,887,173	23,569,469	25,214,816	27,833,412	32,636,954
Enterprise - Pavilion	101,306	87,234	97,165	95,158	90,373	102,966
Internal Service	7,545,047	7,662,713	8,350,700	8,885,049	8,008,817	8,204,063
Total	48,196,459	58,933,870	57,794,399	64,080,707	68,956,931	89,449,057

General Fund: Comparing 2016 and 2020 ending cash, the balance has grown by \$6.2 million. This is intentional growth to ensure adequate reserves for cash flow purposes and in case of an economic downturn.

All Other Funds: As of 2020 year-end, the cash balances for all other funds combined have grown by \$15.5 million since 2016, largely due to a significant increase in funding available for capital projects.

Special Revenues include \$5.9 million in ARPA monies received in July, which is half of the City's total allocation. The remaining half is expected in July/August 2022.



City of Puyallup

September 2021 Financial Summary

Summary by Fund (excluding transfers)						
	Revenues			Expenditures		
	Budget	YTD SEP	Balance	Budget	YTD SEP	Balance
General						
General Fund	50,796,748	39,780,302	11,016,446	46,725,978	32,304,877	14,421,101
Budget Stability Reserves	3,240	1,597	1,643	18,000	18,345	(345)
Radio Replacement	2,100	330	1,770	63,000	62,735	265
Donations to Puyallup	83,172	11,818	71,354	109,052	10,685	98,367
LEOFF 1 Retiree Benefits	4,330	920	3,410	557,840	316,724	241,116
Firemen's Pension	66,650	68,495	(1,845)	172,000	124,369	47,631
Total General Fund	50,956,240	39,863,462	11,092,778	47,645,870	32,837,735	14,808,135
Special Revenue						
Seizure and Forfeiture	50,550	120,214	(69,664)	65,960	21,444	44,516
DUI Cost Recovery	68,400	82,655	(14,255)	52,800	60,746	(7,946)
American Rescue Plan	5,912,494	5,914,207	(1,713)	2,128,300	638,442	1,489,858
Affordable Housing Sales Tax	-	150,963	(150,963)	-	-	-
Motel Tax	1,377,120	871,398	505,722	755,900	415,733	340,167
Trial Court Improvement	21,750	16,150	5,600	-	-	-
Lift Grant	1,011,000	1,002,585	8,415	-	-	-
Real Estate Excise Tax	2,011,000	2,201,117	(190,117)	-	-	-
Total Special Revenue Funds	10,452,314	10,359,289	93,025	3,002,960	1,136,365	1,866,595
Debt Service						
GO Bonds	-	-	-	3,389,950	875,043	2,514,907
PWTF & HIA Loans	-	-	-	332,120	332,116	4
Total Debt Service Funds	-	-	-	3,722,070	1,207,159	2,514,911
Capital Projects						
Streets	12,017,479	7,203,499	4,813,980	26,260,246	9,012,157	17,248,089
Parks	741,260	1,147,349	(406,089)	3,228,578	217,658	3,010,920
Facility	9,170	1,720	7,450	1,045,217	86,676	958,541
Total Capital Projects Funds	12,767,909	8,352,568	4,415,341	30,534,041	9,316,491	21,217,550
Enterprise						
Sanitation Utility	450,330	336,907	113,423	227,260	122,329	104,931
Water Utility	7,385,000	6,146,697	1,238,303	9,885,970	4,561,537	5,324,433
Sewer Utility	12,944,360	10,811,812	2,132,548	27,069,134	7,884,755	19,184,379
Storm & Surface Water Utility	12,375,867	6,038,703	6,337,164	18,905,803	5,810,612	13,095,191
Pavilion	289,250	185,479	103,771	355,040	179,439	175,601
Total Enterprise Funds	33,444,807	23,519,598	9,925,209	56,443,207	18,558,672	37,884,535
Internal Service						
Equipment Rental	2,390,790	1,883,271	507,519	2,585,940	1,763,792	822,148
Insurance	2,353,500	2,208,772	144,728	2,359,838	2,406,463	(46,625)
IT & Communications	3,843,160	2,862,084	981,076	4,981,511	2,623,073	2,358,438
Health Insurance	8,354,550	6,230,844	2,123,706	8,532,160	7,202,626	1,329,534
Facility Maintenance	2,443,290	1,510,546	932,744	2,440,350	1,544,600	895,750
Total Internal Service Funds	19,385,290	14,695,517	4,689,773	20,899,799	15,540,554	5,359,245
Grand Total	127,006,560	96,790,434	30,216,126	162,247,947	78,596,976	83,650,971